



Federal Mercury Rule

**Proposed National Emission
Standards for Hazardous Air
Pollutants; and in the Alternative,
Proposed Standards of Performance
for New and Existing Stationary
Sources: Electric Utility Steam
Generating Units; Proposed Rule
(January 30, 2004)**



Proposed - January 30, 2004

- *Affected Sources - More than 25 Megawatts; Mercury - Coal-fired; Nickel - Oil-fired*
- *Three Alternatives - Section 112(d) MACT, Section 112(n) MACT w/ Cap and Trade, and Section 111(NSPS)*
- *Revise Section 112 Regulatory Finding - Remove utilities from 112(c) MACT list*
- *Cap and Trade Proposal - March 17, 2004*
- *Comments Due - April 30, 2004*



Section 112 Summary

Traditional MACT

- 5.8 lbs/tbtu emission rate - sub-bituminous coal
- 2.0 lbs/tbtu emission rate - bituminous coal
- 25 percent mercury reduction

OR

Cap and Trade

- 34 ton cap/year under 112(n)(1)(d) “alternative control strategies” with trading as outlined in the March 17, 2004, proposal.



Section 111 Summary

- ***Clear Skies Clone*** - 70% mercury reduction by 2018 with 15 ton permanent cap.
- ***2010 Interim Cap*** - Between 26 tons and 34 tons reflecting mercury reductions achieved as a “co-benefit” of SO₂ and NO_x control requirements.
- ***Trading and Banking*** - National program and allows banking emission credits.
- ***New Units*** - NSPS output based standards.



General Observations

- ***Regulating Hg and Ni*** - Proposal does not change EPA's finding that it is appropriate and necessary to regulate mercury and nickel emissions from utilities.
- ***MACT Work Group*** - alternative approaches not part of the MACT work group dialogue.
- ***Complex Proposal*** - analysis and timely comment difficult to provide.
- ***Controversial Issue*** - not easily resolved and may further delay federal action.



Wisconsin DNR Comments

- ***Emission Reductions*** - Too low compared to what is technically achievable and cost effective.
- ***Control Technology*** - Delay installation of dedicated mercury control.
- ***Section 112 Regulation*** - CAA language clear that EPA must regulate under 112.
- ***Trading and Banking*** - Oppose on a national scale. Credits should expire.